
CITY COUNCIL
OF THE
CITY OF MARTINEZ

Resolution No. 138-76

(1976 Series)

Second Supplemental Resolution

Providing for the Issuance of
\$1,350,000 Principal Amount of
City of Martinez

1966 Water Revenue Bonds, Series C
(Supplemental to Resolution No. 150 (1966 Series))

Adopted August 3, 1966
and Resolution No. 148 (1967 Series)
Adopted September 27, 1967)

Adopted October 6, 1976

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Second Supplemental Resolution Providing for the Issuance of \$1,350,000 Principal Amount of City of Martinez 1966 Water Revenue Bonds, Series C (Supplemental to Resolution No. 150 (1966 Series) Adopted August 3, 1966 and Resolution No. 148 (1967 Series) Adopted September 27, 1967).

WHEREAS, Section 53541 of the California Government Code (the "Government Code") provides that the legislative body of a local agency without a vote of the electors may issue bonds of the local agency (a) if the principal amount of such bonds does not exceed the then unissued balance of the principal amount of bonds of the same type authorized at an election theretofore held in the local agency, (b) if the bonds are issued for the same purpose as that for which said unissued bonds were authorized and (c) if the bonds are issued in accordance with the laws governing the issuance of bonds of the local agency or zone, except for the requirement of a bond election; and

WHEREAS, all the requirements of law were complied with in calling and holding the special municipal revenue bond election held in the City of Martinez (the "City") on June 7, 1966, at which election the measure to issue revenue bonds of the City in the principal amount of \$6,000,000 for the purpose stated in the Resolution hereinafter referred to was submitted to the voters of the City; and the City Council (the "Council") of the City did duly and legally confirm the canvass of the returns of said election and did as a result of such canvass determine and declare, and does hereby certify, that said measure received at said special municipal revenue bond election the affirmative vote of a majority of all the voters voting on said measure at said election and was thereby carried and adopted at said election, and the issuance of said revenue bonds by the Council was duly authorized; and

WHEREAS, the Council on August 3, 1966, duly adopted its Resolution No. 150 (1966 Series) (the "Resolution") entitled "Resolution Providing for the Issuance of \$6,000,000 Principal Amount of City

of Martinez 1966 Water Revenue Bonds and of \$2,000,000 Principal Amount of Series A Bonds of Said Issue, and Prescribing the Terms and Conditions and Form of Said Series A Bonds" (the "Series A Bonds"); and

WHEREAS, the Council duly issued and sold the \$2,000,000 principal amount of Series A Bonds pursuant to the Resolution (the unmatured portion of which is now outstanding); and

WHEREAS, pursuant to Sections 3.03 and 3.04 of the Resolution, the Council on September 27, 1967 duly adopted its Resolution No. 148 (1967 Series) (the "First Supplemental Resolution") entitled "First Supplemental Resolution Providing for the Issuance of \$1,250,000 Principal Amount of City of Martinez Water Revenue Bonds, Series B (Supplemental to Resolution No. 150) (1966 Series) adopted August 3, 1966" (the "Series B Bonds"); and the Council duly issued and sold the \$1,250,000 principal amount of Series B Bonds pursuant to the Resolution and the First Supplemental Resolution (the unmatured portion of which is now outstanding); and

WHEREAS, the City is a "local agency" as defined in Section 53540 of the Government Code; the Council is a "legislative body" as defined in said Section; the \$1,350,000 principal amount of Series C Bonds (the "Series C Bonds") proposed to be issued as hereinafter provided are "bonds" as defined in said Section; the Council desires to issue the Series C Bonds pursuant to Section 53541 of the Government Code; said principal amount does not exceed the remaining unissued \$2,750,000 balance of the \$6,000,000 principal amount of bonds heretofore authorized at said election on June 7, 1966, in the City; the Series C Bonds are of the same type authorized at said election and are for the same purpose as that for which said unissued bonds were authorized; and

WHEREAS, under Section 3.03 of the Resolution, the City may issue and deliver the Series C Bonds hereinafter provided for, subject to the conditions set forth in Sections 3.03 and 3.04 of the Resolution; and

WHEREAS, the Council has determined that Series C Bonds in the principal amount of one million three hundred fifty thousand dollars (\$1,350,000) should be issued pursuant to the Resolution; and

WHEREAS, the conditions set forth in Sections 3.03 and 3.04 of the Resolution have been satisfied or will be satisfied at the time of delivery of the Series C Bonds;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Martinez as follows:

ARTICLE XI

SERIES C BONDS

SECTION 11.01. *Authorization and Terms of Series C Bonds.* A third series of Bonds, in the aggregate principal amount of one million three hundred fifty thousand dollars (\$1,350,000) at any one time outstanding, is hereby created, to be known as "City of Martinez 1966 Water Revenue Bonds, Series C" (the "Series C Bonds"), which shall be issued for the purpose for which a portion in the aggregate principal amount of \$1,350,000 of the unissued balance of the \$6,000,000 principal amount of bonds were authorized at said special municipal revenue bond election held in the City on June 7, 1966. The Series C Bonds are unvoted bonds and are authorized to be and will be issued in accordance with the Resolution and the laws governing the issuance of said \$6,000,000 principal amount of revenue bonds, except for the requirement of a bond election, and Sections 53540-53541, Article 8, Chapter 3, Part 1, Division 2, Title 5, of the Government Code. The Series C Bonds shall be dated October 1, 1976; shall be Serial Bonds; shall be coupon Bonds in the denomination of five thousand dollars (\$5,000), numbered from C1 to C270, both inclusive; and shall mature and become payable in consecutive numerical order from lower to higher, as set forth in the following schedule:

<u>Maturity Date</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>
1978-1982	\$ 5,000
1983-1987	10,000
1988-1991	15,000
1992-1994	20,000
1995-1996	30,000
1997	185,000
1998	205,000
1999	220,000
2000	235,000
2001	250,000

The Series C Bonds shall bear interest at such rate or rates, not exceeding seven and one-half percent ($7\frac{1}{2}\%$) per annum, as may be fixed by the Council at the time of sale of the Series C Bonds. Such interest shall be payable semiannually on April 1 and October 1 in each year. The interest coupons attached to the Series C Bonds shall be numbered in consecutive numerical order, and each such coupon shall represent six months' interest on the Bond to which it is attached. Both the principal of and interest on the Series C Bonds shall be payable at the Head Office of the Fiscal Agent in San Francisco, California, or, at the option of the holder, at the principal office of the Paying Agent in New York, New York, or at the office of the Paying Agent in Chicago, Illinois, in lawful money of the United States of America.

SECTION 11.02. *Redemption of Series C Bonds.* Series C Bonds numbered C1 to C13, both inclusive, maturing on or before October 1, 1986, shall not be subject to redemption prior to their respective maturity dates. Series C Bonds numbered C14 to C270, both inclusive, maturing on or after October 1, 1987, shall be subject to redemption prior to their respective maturity dates at the option of the City, as a whole, or in part in inverse numerical order, from funds derived by the City from any source, on any interest payment date on or after October 1, 1986, at the principal amount thereof and accrued interest to the date of redemption plus a premium of $\frac{1}{4}$ of 1% of such principal amount for each whole year and for any fraction of a year remaining from the date of redemption to the fixed maturity date of the Series C Bonds so called for redemption, but not to exceed $3\frac{3}{4}\%$.

SECTION 11.03. *Form of Series C Bonds.* The Series C Bonds, the interest coupons to be attached thereto, and the forms of registration endorsement to appear thereon shall be substantially in the following forms, respectively:

[FORM OF SERIES C BOND]

No. C.....

\$5,000

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

COUNTY OF CONTRA COSTA

CITY OF MARTINEZ

1966 WATER REVENUE BOND, SERIES C

THE CITY OF MARTINEZ, a municipal corporation organized and existing under the Constitution and laws of the State of California (herein called the "City"), for value received hereby promises to pay (but only out of the Revenues hereinafter referred to) to the bearer hereof, or, if this Bond be registered, to the registered owner hereof, on October 1, 19.... (subject to any right of prior redemption hereinafter provided for) the principal sum of Five Thousand Dollars (\$5,000), together with interest thereon from the date hereof until the principal hereof shall have been paid, at the rate of per cent (....%) per annum, payable semiannually on April 1 and October 1 in each year. Unless this Bond be registered as to both principal and interest, interest due on or before the maturity of this Bond shall be payable only according to the tenor, and upon presentation and surrender, of the annexed interest coupons as they severally become due. Both the principal hereof and interest hereon are payable in lawful money of the United States of America at the Head Office of The Bank of California, National Association, the Fiscal Agent of the City, in San Francisco, California, or at the option of the holder, at the principal office of First National City Bank in New York, New York, or at the office of The First National Bank of Chicago in Chicago, Illinois.

This Bond is one of a duly authorized issue of City of Martinez 1966 Water Revenue Bonds, Series C, in the aggregate principal amount of \$1,350,000 (the "Series C Bonds"), issued pursuant to the Constitution and laws of the State of California, including the Rev-

enue Bond Law of 1941 (herein called the "Law"), except the bond election requirements thereof, and pursuant to Article 8, Chapter 3, Part 1, Division 2, Title 5, of the Government Code of the State of California, and pursuant to Resolution No. 150 (1966 Series) adopted by the City Council of the City on August 3, 1966, and Resolution No. (1976 Series) adopted by the City Council of the City on October 6, 1976 (herein together called the "Resolution"). The Series C Bonds and all other bonds issued pursuant to the Resolution are hereinafter called the "Bonds". Reference is hereby made to the Resolution, to any resolutions supplemental thereto and to the Law for a description of the terms on which the Bonds are issued and to be issued, the provisions with regard to the nature and extent of the Revenues, as that term is defined in the Resolution, and the rights of the holders and registered owners of the Bonds and of the bearers of the appurtenant coupons; and all the terms of the Resolution and the Law are hereby incorporated herein and constituted a contract between the City and the holder or registered owner from time to time of this Bond, and to all the provisions thereof the holder or registered owner of this Bond, by his acceptance hereof, consents and agrees. Each taker and subsequent holder hereof and of said coupons, whether said coupons are attached hereto or detached herefrom, shall have recourse to all of the provisions of the Law and the Resolution and shall be bound by all of the terms and conditions thereof.

The Bonds are issued to provide funds for the acquisition, construction, improvement and financing of improvements to an Enterprise, consisting of the municipal water system of the City as more particularly described in the Resolution. The Bonds are special obligations of the City and are payable, as to the principal thereof, interest thereon and any premiums upon the redemption of any thereof, from the gross revenues of said Enterprise (which, as more particularly defined in the Resolution, are therein and herein called the "Revenues"). All of the Bonds are equally secured by a pledge of, and charge and lien upon, all of the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of the Bonds. Additional Bonds payable from the Revenues may be issued on a parity with the Bonds of this authorized issue, but only subject to the conditions and limitations contained in the Resolution.

The principal of and interest on this Bond are payable solely from the Revenues, and the City is not obligated to pay it except from the Revenues. The general fund of the City is not liable, and the credit or taxing power of the City is not pledged, for the payment of the Bonds or their interest. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the City or any of its income or receipts, except the Revenues.

The City covenants that, so long as any of the Bonds are outstanding, it will fix, prescribe and collect rates, fees and charges in connection with the water, services and facilities furnished by the Enterprise so as to yield Revenues at least equal to the amounts thereof prescribed by the Resolution and sufficient to pay the principal of and interest on the Bonds in accordance with the provisions of the Resolution.

Series C Bonds numbered C1 to C13, both inclusive, maturing on or before October 1, 1986, are not subject to redemption prior to their respective maturity dates. Series C Bonds numbered C14 to C270, both inclusive, maturing on or after October 1, 1987, are subject to redemption prior to their respective maturity dates at the option of the City, as a whole, or in part in inverse numerical order, from funds derived by the City from any source, on any interest payment date on or after October 1, 1986, at the principal amount thereof and accrued interest to date of redemption, plus a premium of $\frac{1}{4}$ of 1% of such principal amount for each whole year and for any fraction of a year remaining from the date of redemption to the fixed maturity date of the Series C Bonds as called for redemption, but not to exceed $3\frac{3}{4}\%$.

Subject to the provisions for registration and transfer contained herein and in the Resolution, this Bond and each of the coupons appurtenant hereto shall each be an investment security (as that term is defined in Division 8 of the Uniform Commercial Code of the State of California) and shall pass by delivery unless fully registered as to both principal and interest, or unless registered as to principal in the owner's name in accordance with the terms endorsed on the back hereof at the office of the Fiscal Agent, and such registration noted hereon. After registration as to principal no valid

transfer hereof can be made, except at such office by the registered owner in person or by duly authorized attorney and similarly noted hereon, until after registered transfer to bearer, but after registered transfer to bearer, this Bond shall be again transferable by delivery. Registration as to principal only, however, shall not affect the negotiability of the coupons which shall remain payable to bearer and transferable by delivery. This Bond, if fully registered as to both principal and interest, shall be transferable only in accordance with the terms endorsed upon the back hereof.

The rights and obligations of the City and of the holders and registered owners of the Bonds may be modified or amended at any time in the manner, to the extent and upon the terms provided in the Resolution, but no such modification or amendment shall (1) extend the maturity of this Bond, or reduce the interest rate hereon, or otherwise alter or impair the obligation of the City to pay the principal hereof, or interest hereon, or any premium payable on the redemption hereof, at the time and place and at the rate and in the currency provided herein, without the express consent of the holder or registered owner of this Bond, or (2) reduce the percentage of Bonds required for the written consent to an amendment or modification; all as more fully set forth in the Resolution.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due time, form and manner as required by law and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Constitution or laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

IN WITNESS WHEREOF, the City of Martinez has caused this Bond to be executed under its official seal, signed by its Mayor and its Treasurer and countersigned by its City Clerk, and has caused the interest coupons attached hereto to be signed by its Treasurer and this Bond to be dated October 1, 1976.

Mayor of the City of Martinez

Treasurer of the City of Martinez

Countersigned:

City Clerk of the City of Martinez

(Seal)

[FORM OF INTEREST COUPON]

Coupon No.

The City of Martinez, on 1, 19....,

(subject to any right of prior redemption reserved in the Bond herein mentioned) will pay to bearer (unless said Bond is registered as to both principal and interest) exclusively from the Revenues referred to in said Bond, at the Head Office of THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION in SAN FRANCISCO, CALIFORNIA, or at the principal office of FIRST NATIONAL CITY BANK in New York, New York, or at the office of THE FIRST NATIONAL BANK OF CHICAGO in Chicago, Illinois, upon surrender hereof, the sum shown hereon in lawful money of the \$..... United States of America, being interest then due on its 1966 Water Revenue Bond, Series C, dated October 1, 1976 No. C

Treasurer of the City of Martinez

[CERTIFICATE OF REGISTRATION]

This Bond may be registered as to principal in the Bond Register of THE BANK OF CALIFORNIA, NATIONAL ASSOCIATION, at its Head Office in San Francisco, California, as Fiscal Agent (or by such other Fiscal Agent as may be legally appointed by the City Council of the City of Martinez), notation of such registry to be made hereon by such Fiscal Agent, and this Bond may thereafter be transferred on said Bond Register only upon a written assignment of the registered owner or his attorney, duly acknowledged or proved, such transfer to be endorsed hereon by the Fiscal Agent. Unless this Bond be registered as to both principal and interest, such transfer may be to bearer and thereby transferability by delivery shall be restored, subject, however, to successive registrations and transfers as before. The principal of this Bond, if registered, shall be payable only to the registered owner or his legal representative. Notwithstanding the registration of this Bond, the Coupons shall remain payable to bearer and shall continue to be transferable by delivery, unless this Bond shall be in like manner registered as to both principal and interest, notation of which and of the cancellation of unmatured coupons is to be made on this Bond, after which registration both principal and interest hereof shall be payable to the person in whose name it is registered, or his legal representative.

Note: There must be no writing in the space below except by the Fiscal Agent.

Date of Registry	Name of Registered Owner	Address of Registered Owner	Signature of Fiscal Agent
_____	_____	_____	_____
_____	_____	_____	_____

[FULL REGISTRATION AS TO BOTH PRINCIPAL AND INTEREST]

It is hereby certified that at the request of the owner of the within Bond for its conversion into a Bond registered as to both principal and interest, the undersigned has this day cut off and cancelled all unmatured coupons attached thereto, numbered from

..... to, both inclusive, of the aggregate face value of \$....., and that the within Bond is hereby converted into a fully registered Bond, the principal and interest of which are payable to the registered owner whose name and address appear last in the space above, or his legal representative.

Dated:.....

Fiscal Agent

By

Authorized Officer

SECTION 11.04. *Issuance of Series C Bonds.* At any time after the adoption of the Second Supplemental Resolution, the Council may sell and deliver Series C Bonds in the aggregate principal amount of not to exceed one million three hundred fifty thousand dollars (\$1,350,000).

Upon the receipt of payment for any of the Series C Bonds when the same shall have been duly sold by the Council, the proceeds from such sale shall be paid to the Fiscal Agent and the Fiscal Agent shall forthwith set aside and deposit the proceeds received from such sale in the following respective funds and in the following order of priority:

(a) The Fiscal Agent shall deposit in the Interest Account established pursuant to Section 4.03 of the Resolution a sum equal to the amount of accrued interest received upon the sale of the Series C Bonds.

(b) The Fiscal Agent shall deposit in the Reserve Account established pursuant to Section 4.03 of the Resolution an amount sufficient to increase the balance then in the Reserve Account to an amount equal to the Maximum Annual Debt Service thereafter on all Bonds then outstanding, including the Series C Bonds.

(c) The Fiscal Agent shall set aside and transfer the remainder of such proceeds to the Treasurer and the Treasurer

shall deposit said remainder in and for the purposes of the Construction Fund created by Section 3.02(d) of the Resolution; provided that any of said remainder in the Construction Fund on October 1, 1978 shall be transferred to the Fiscal Agent for deposit in the Reserve Account to the extent necessary at that time to restore the Reserve Account to the amount required by the provisions of the Resolution and any remaining balance shall be deposited by the Fiscal Agent in the Revenue Fund.

SECTION 11.05. *Cancellation of Voted Bonds.* The Council hereby orders that unissued voted bonds in the principal amount of \$1,350,000 authorized at said special municipal revenue bond election on June 7, 1966 are cancelled effective upon the date of delivery of and payment for the Series C Bonds, and shall not be issued after the Series C Bonds are delivered and paid for. The receipt of the Treasurer for the purchase price of the Series C Bonds shall be conclusive evidence that said unissued voted bonds (in said principal amount) have been cancelled by order of the Council.

SECTION 11.06. *No-arbitrage Covenant.* The Council, as issuer of the Series C Bonds on behalf of the City, hereby covenants that it will make no use of the proceeds of the Series C Bonds which would cause the Series C Bonds to be "arbitrage bonds" under Section 103(d) of the Internal Revenue Code; and, to that end, so long as any of the Series C Bonds are outstanding, the issuer with respect to the proceeds of the Series C Bonds, and all officers having custody or control of such proceeds, shall comply with all requirements of said Section and the regulations of the United States Department of the Treasury thereunder, to the extent that such regulations are, at the time, applicable and in effect.

SECTION 11.07. *Terms of Series C Bonds Subject to the Resolution.* Except as in this Second Supplemental Resolution expressly provided, every term and condition contained in the Resolution shall apply to this Second Supplemental Resolution and to the Series C Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Second Supplemental Resolution.

SECTION 11.08. *Effective Date of Resolution.* This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on October 6, 1976, by the following vote:

AYES: Councilmen—Gianno, Krause, Lance, Thelen, Sparacino

NOES: Councilmen—None

ABSENT: Councilmen—None

JOHN SPARACINO

Mayor of the City of Martinez

LAWRENCE J. KOWALSKI

City Clerk of the City of Martinez

CITY CLERK'S CERTIFICATE

I, LAWRENCE J. KOWALSKI, City Clerk of the City of Martinez (the "City"), hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution, (the "resolution") duly adopted at a regular meeting (the "meeting") of the City Council (the "Council") of the City duly and regularly and legally held at the regular meeting place thereof on October 6, 1976, of which meeting all of the members of the Council had due notice and at which a majority thereof were present;

At the meeting the resolution was adopted by the following vote:

AYES: Councilmen—Gianno, Krause, Lance, Thelen, Sparacino

NOES: Councilmen—None

ABSENT: Councilmen—None

I have carefully compared the same with the original minutes of the meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at the meeting and entered in said minutes;

The resolution has not been amended, modified or rescinded since the date of its adoption, and is now in full force and effect.

Dated: October 6, 1976.

LAWRENCE J. KOWALSKI

City Clerk

(Seal)

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